



Regulatory Circular RG01-117

Date: July 20, 2001
 To: Members and Member Firms
 From: Market Performance Committee
 Re: Modified Bid/Ask Differentials

Due to the volatility in the underlying stocks and other factors affecting both the options and the underlying, the Market Performance Committee ("Committee"), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has temporarily established modified bid/ask differentials in the option series of the following option classes. Additionally, the Committee has determined that the provision of Rule 8.7 Interpretation .02 (b) will not apply to the classes for the period of time the above exemption was granted. This relief is granted from the opening of business on July 23, 2001 through the August 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.

This relief was granted by the Committee with the contingency that the disseminated markets in these classes will be competitive and in many instances will be narrower than the relief granted below. The Committee will continue to monitor the activity in the underlying securities of these options, and will modify the bid/ask differentials in the respective options accordingly.

Any questions regarding this memorandum should be directed to Angela Schons at (312) 786-7559.

Bid/Ask Relief is granted as follows:

Equity Bid/Ask Relief:

	Class	Relief	Name	DPM
1	BTY	Double Width	British Telecommunications PLC	Apollo Partners, LP
2	ISU	Double Width	ISS Group & Co.	Athena Trading LLC
3	TQM	Double Width	Tripath Technology	Big Blue Trading JV
4	VQR	Double Width	Vertex Pharmaceuticals	
5	OLV	Double Width	Vertex Pharmaceuticals LEAPS	
6	CZU	Double Width	Capstone Turbine Corp.	Botta Capital Management, LLC – 2/2
7	JOQ	Double Width	JNI Corporation	
8	GUQ	Double Width	Pegasus Communications Corp.	
9	WQG	Double Width	Proxim, Inc.	
10	QTT	Double Width	Taro Pharmaceutical Industries	
11	PM	Double Width	Polymedica Corp.	Botta Capital Management, LLC – 2/3
12	QVR	Double Width	Verisign, Inc.	Botta Capital Management, LLC – 2/4
13	BBH	Double Width	Biotechnology HOLDERS Trust	Botta Trading - Lacerta DPM, LLC
14	FAQ	Double Width	Freemarkets, Inc.	
15	UPN	Double Width	Netegrity, Inc.	
16	RTH	Double Width	Retail HOLDERS Trust	
17	AYQ	Double Width	Art Technology Group	Botta Trading - Lynx DPM, LLC
18	DMU	Double Width	McData Corporation	

	Class	Relief	Name	DPM
19	AZU	Double Width	Abgenix, Inc.	Botta Trading - Scorpius DPM, LLC
20	UML	Double Width	Emulex Corporation	
21	SQI	Double Width	PMC – Sierra, Inc.	
22	OFT	Triple Width	PMC - Sierra, Inc. - LEAPS	
23	YUC	Double Width	Clarify LEAPS	Eclipse JV
24	JQ	Double Width	I2 Technologies, Inc.	
25	BNQ	Double Width	Rambus, Inc.	
26	TIU	Double Width	Tibco Software, Inc.	
27	FCQ	1 1/2 Width	Checkfree Corp.	Equitec-Brown, LLC
28	QHD	Double Width	Polycom Corp.	
29	PTR	Double Width	Petrochina Co. Ltd.	Equitec-Schwartz, L.L.C.
30	BUC	Double Width	BEA Systems	Geneva DPM, LLC
31	NZZ	Double Width	Newport Corp.	
32	BBQ	Double Width	Business Objects	Group One Trading, LP
33	KEQ	Double Width	Checkpoint Software Tech.	
34	SZQ	Double Width	Stratos Lightwave, Inc.	Heartland TFM, LLC
35	UHS	Double Width	Universal Health Services	
36	UBF	Double Width	Brocade Communications	Johnson Trading JV
37	OMW	Double Width	Brocade Communications LEAPS	
38	IDQ	Double Width	IDEC Pharmaceuticals	
39	EUI	Double Width	ONI Systems	
40	UKD	Double Width	Union Carbide CP LEAPS	Letco DPM, LP (NSM)
41	TMU	Double Width	Telefonos de Mexico, S.A. -ADR	Letco DPM, LP
42	PKU	Double Width	Professional Detailing Inc.	Letco DPM, LP (DLQ)
43	UJS	Double Width	Sonus Networks Inc.	
44	QGX	Double Width	Allegiance Telecom Inc.	Letco DPM, LP (EUT)
45	EUT	Double Width	Extreme Networks	
46	FQI	Double Width	Gilat Satellite Networks Ltd.	
47	GQP	Double Width	Peregrine Systems, Inc.	
48	PPD	Double Width	Pre-Paid Legal Services	Midway Securities, LLC
49	EUQ	Double Width	Ciena, Inc.	Option Funding Group, LP
50	WZZ	Double Width	Exodus Comm., Inc. LEAPS	
51	YPO	Double Width	Liposome, Inc. LEAPS	Option Resource Group
52	WUO	Double Width	Skytel Communications LEAPS	
53	JUP	Double Width	Juniper Networks	PEAK6 Capital Management, LLC
54	MOU	Double Width	Matrixone, Inc.	
55	HQU	Double Width	Zixit Corp.	Platinum Trading, LLC
56	IBP	Double Width	IBP, Inc.	Premier Capital, LLC
57	CAR	Double Width	Carter – Wallace, Inc.	Rathunas Trading, LLC
58	LRQ	Double Width	Remedy Corporation	Spear, Leeds & Kellogg – 11/1
59	SPW	Double Width	SPX Corporation	Spear, Leeds & Kellogg - 11/5
60	WLL	Double Width	Willamette Industries	
61	ZUQ	Double Width	Manugustics Group, Inc.	Specialists DPM, LLC
62	QVC	Double Width	VEECO Instruments	
	Class	Relief	Name	DPM

63	UDA	Double Width	Aurora Biosciences	StoneHedge Securities, LLC
64	DGX	Double Width	Quest Diagnostics, Inc.	
65	QMR	Double Width	Millenium Pharmaceuticals	Susquehanna ACTM
66	IUV	Double Width	Invitrogen, Inc.	Susquehanna C
67	PQL	Double Width	Plug Power, Inc.	
68	U	Double Width	US Airways	
69	WUU	Triple Width	US Airways LEAPS	
70	FQG	Double Width	FuelCell Energy, Inc.	Susquehanna CMGI
71	RQB	Double Width	Mercury Interactive Corp.	
72	OIL	Double Width	Triton Energy Ltd.	
73	BVR	Double Width	Voicestream Wireless	Susquehanna HWP
74	DGU	Double Width	Digital Lightwave	Susquehanna KM
75	GSQ	Double Width	Myriad Genetics, Inc.	
76	KKD	Double Width	Krispy Kreme Doughnuts, Inc.	Susquehanna MSQ
77	OKK	Triple Width	Krispy Kreme Doughnuts LEAPS	
78	BUK	Double Width	Redback Networks, Inc.	
79	SAX	Triple Width	SDL, Inc.	
80	ENZ	Double Width	Enzo Biochem, Inc.	Susquehanna VMB
81	MMM	Double Width	MN Mining & Manufacturing LEAPS	
82	PQI	Double Width	Protein Design Labs, Inc.	Tague Van Der Moolen LLC
83	DNA	Double Width	Genentech, Inc.	Timber Hill, LLC
84	UOV	Double Width	Alcatel Optical	Tradenet, LLC
85	OSU	Double Width	Storage Networks	ZH Partners, JV
86	TFS	Double Width	Three-Five Systems, Inc.	

Index Bid/Ask Relief:

	Class	Relief	Name	DPM
1	CEX	Double Width	S&P Chemical Index	Timber Hill, L.L.C.
2	GIN	Triple Width	Goldman Sachs Internet Index	
3	GIP	Double Width	GSTI Multimedia Networking Index	
4	GSO	Double Width	GSTI Software Index	
5	GTC	Double Width	GSTI Composite Index	
6	HCX	Triple Width	S&P Health Care Index	
7	TXX	Triple Width	CBOE Technology Index	
8	BIX	Triple Width	S&P Banks Index	Trade Mark Financial Group
9	DUX	Triple Width	Dow Jones Utility Average	
10	ECM	Triple Width	Dow Jones Internet Commerce Index	
11	GHA	Triple Width	GSTI Semiconductor Index	
12	GSM	Triple Width	GSTI Hardware Index	
13	INX	Triple Width	CBOE Internet Index	
14	MEX	Triple Width	CBOE Mexico Index	
15	OIX	Triple Width	CBOE Oil Index	
16	RLX	Triple Width	S&P Retail Index	

Replaces Regulatory Circular 01-90

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